



Feb. 9, 2021

Oregon State Legislature  
House Committee on Health Care  
900 Court St. NE  
Salem Oregon 97301

**Re: House Bill 2362 – Mergers and Acquisitions**

Chair Prusak and members of the House Committee on Health Care:

Salem Health Hospitals & Clinics is a local non-profit health system in the mid-Willamette Valley. Our mission is to improve the health and well-being of the communities we serve. I am writing to express our opposition to HB 2362 because it represents a serious impediment to the goals our mission dictates: increased access, lower costs, greater equity and local physician collaboration.

Health care needs more partnership and collaboration, not less. As Oregon works to reduce the cost of health care while improving outcomes, we are depending on new, innovative ways of providing and paying for care. These new approaches aren't easy, and require new levels of cooperation across payers and providers, levels of cooperation that have not happened in the past. HB 2362 and the sweeping way in which it is structured represents a significant barrier to the collaboration and shared operations that must become more of a reality if we are truly going to reduce the cost of care.

Over the last few years, Salem Health has embarked on innovative value-based payment arrangements in partnership with two local, independent provider clinics: Salem Clinic and Willamette Valley Physicians. This work was very challenging, but was a significant step toward a new way of providing care that reduced costs and produced better care for patients. It took a substantial amount of planning and careful negotiations to establish a framework that worked for everyone involved. That type of delicate partnership would have been significantly delayed, if not rendered infeasible, if caught up in the bureaucracy and additional cost of HB 2362's approval process.

We are also concerned about the impacts to access for underserved populations. A diverse network of providers serves our community. This network consists of large and small clinics, independent groups and systems. When any one of these access points fails, it reduces access for our community, and access is a critical component as we work to create greater equity. This community provider network is fragile, and requires partnership and flexibility to maintain. HB 2362 threatens the stability of this network; for clinics struggling to survive it might mean bankruptcy and closure rather than a partnership that keeps the doors open.

This has been the case in our community. Willamette Valley Physicians was a local provider group that has long served the community, particularly our Medicaid population. Salem Health has partnered with WVP on numerous projects over the past few years, and we have developed a cooperative relationship. In 2019, when WVP's future in the community became uncertain, Salem Health acquired the practice. This kept the doors open for many primary care provider clinics, and protected access to care in our community, particularly for Medicaid patients. This happened at a critical juncture, right before COVID-19 came to our region. If the red tape outlined in HB 2362



were in place, the partnership certainly would not have happened as quickly and may not have happened at all.

In a similar vein, in 1999 Salem Health acquired West Valley Hospital in Dallas, Oregon, when the critical access hospital was struggling to stay open. This protected access to an emergency room, hospital beds and surgical, imaging and lab services for rural Oregon and several underserved communities.

As we grapple with the impacts of COVID on our community and health care system, and as the state begins implementation of the Cost Growth Target, please do not add an additional regulatory burden that will only serve to increase administrative costs and impede innovation.

Thank you for taking the time to consider our testimony.

Sincerely,

A handwritten signature in black ink that reads "Cheryl Wolfe, RN". The signature is written in a cursive, flowing style.

Cheryl Wolfe, RN  
President and CEO  
Salem Health